

# Other Funds Overview

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# Other Funds Overview

## OTHER FUNDS OVERVIEW

Other Funds reflect programs, services and projects funded from non-General Fund revenue sources or a mix of General Fund and non-General Fund sources. These sources include federal or state grants, specific tax districts, proceeds from the sale of bonds and user fees and charges. Included are the following categories of Other Funds:

- ◆ Special Revenue Funds
- ◆ Debt Service Funds
- ◆ Enterprise Funds
- ◆ Internal Service Funds
- ◆ Trust and Agency Funds

Other Funds expenditures are supported through a total available balance of \$5,566,127,499 (excluding the General Fund) and total revenues of \$2,230,262,233. The revenues are a decrease of \$577,463,598 or 20.1 percent from the *FY 2005 Revised Budget Plan* and an increase of \$208,264,681 or 10.3 percent over the *FY 2005 Adopted Budget Plan*. It should be noted that the decrease from the *FY 2005 Revised Budget Plan* is the result of significant carryover of capital construction project funding and anticipated grant revenues rather than the result of changes in the revenue stream for Other Funds. As indicated by the increase in revenues over the *FY 2005 Adopted Budget Plan*, revenues are expected to grow 10.3 percent overall for FY 2006. Details concerning significant changes in revenue growth are discussed for each specific fund in Volume 2, Capital Construction and Other Operating Funds in the *FY 2006 Adopted Budget Plan*. Also, the FY 2006 revenues for Other Funds are summarized by revenue type and by fund type in the *Financial, Statistical and Summary Tables* section of this Overview volume.

FY 2006 expenditures for Other Funds total \$4,636,081,770 (excluding General Fund direct expenditures), and reflect a decrease of \$973,592,845 or 17.4 percent from the *FY 2005 Revised Budget Plan* funding level of \$5,609,674,615. This decrease is primarily due to the effect of significant carryover for capital construction projects and sewer construction projects, and should not be perceived as a major change to programs or operations. Excluding adjustments in FY 2005, expenditures increase \$375,199,605 or 8.8 percent over the *FY 2005 Adopted Budget Plan* total of \$4,260,882,165.

The following is a brief discussion of highlights and major expenditure issues associated with the various funds. Not included in these discussions are Capital Projects Funds, which are presented in the Capital Projects Overview, and Special Revenue funding for the Fairfax County Public Schools, which is discussed in the *Fairfax County School Board's FY 2006 Adopted Budget*. Further information on Housing and Community Development Programs can be found in the Housing Program Overview. A complete discussion of funding and program adjustments in Other Funds is found in Volume 2, Capital Construction and Other Operating Funds in the *FY 2006 Adopted Budget Plan*. Summary information is provided in the *Financial, Statistical and Summary Tables* section of this Overview volume.

## SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds from specific sources that are legally restricted to expenditures for a specific purpose. These proceeds include state and federal aid, income derived through activities performed by the Division of Solid Waste, special levies, program activity revenue, and operation of the public school system. The following are highlights for various Special Revenue Funds. Details for other funds not shown here are included in Volume 2, Capital Construction and Other Operating Funds in the *FY 2006 Adopted Budget Plan*.

## Other Funds Overview

In FY 2006, Special Revenue Fund expenditures total \$2,488,464,329, a decrease of \$186,543,379 or 7.0 percent from the *FY 2005 Revised Budget Plan* funding level of \$2,675,007,708. Excluding adjustments in FY 2005, expenditures increase \$210,459,696 or 9.2 percent over the FY 2005 Adopted Budget Plan level of \$2,278,004,633. Funds with significant adjustments are as follows:

**Fund 100, County Transit Systems:** FY 2006 funding of \$35.5 million is included for this fund, including \$32.1 million to support the FAIRFAX CONNECTOR system, which will provide service to an estimated 9.1 million passengers in the Huntington and Reston-Herndon Divisions. The system includes 176 County-owned buses, providing service on 56 routes to six Metrorail stations throughout the region. The remaining \$3.4 million will support commuter rail services operated by the Virginia Railway Express (VRE). The FY 2006 funding level provides for additional service hours in the Huntington Division to address unanticipated ridership increases and to annualize service enhancements started in September 2004 as part of the larger public transportation initiative in South County. These enhancements are designed to provide citizens with more peak and mid-day service, and new travel options to recent developments in the area.

**Fund 102, Federal/State Grant Fund:** This fund includes both grant awards already received as well as those anticipated to be received in FY 2006, for a total appropriation of \$69.8 million including \$63.0 million held in reserve until the grant award is received and approved by the Board of Supervisors. The breakdown of grant funding by agency includes \$25.2 million for the Department of Family Services, \$15.4 million for the Department of Transportation, \$5.9 million for the Fire and Rescue Department, \$2.0 million for the Health Department, \$1.7 million for the Police Department, \$1.7 million for various other agencies, and \$1.1 million to address unanticipated grants. An additional \$10 million is held in reserve for anticipated awards related to emergency preparedness. The remaining \$6.8 million is for grant awards that are appropriated directly to the Police Department for the Community-Oriented Policing (COPS) Universal Hiring Program.

**Fund 103, Aging Grants and Programs:** In FY 2006 funding of \$5.2 million is included for this fund to support the coordination and provision of services for older persons in Fairfax County, as well as the cities of Fairfax and Falls Church. It should be noted that the FY 2006 transfer from the General Fund is \$2.6 million, an increase of \$0.5 million or approximately 25 percent over the *FY 2005 Revised Budget Plan*, and includes additional funding for an expansion of the Home Delivered Meals program.

**Fund 104, Information Technology:** In FY 2006, funding of \$13.6 million, which includes a General Fund transfer of \$13.4 million and interest income of \$0.2 million, is included for initiatives that meet the one or multiple priorities established by the Senior Information Technology Steering Committee. These initiatives include a mix of projects that provide benefits for both citizens and employees and that adequately balance continuing initiatives with the need for maintaining and strengthening the County's technology infrastructure. Funded projects will support initiatives in the Human Services, Planning and Development, General County Services and Public Safety program areas.

**Fund 105, Cable Communications:** This fund has a projected FY 2006 appropriation level of \$8.2 million, which is a decrease of \$14.9 million or 64.6 percent from the *FY 2005 Revised Budget Plan*. This change is a result primarily of a decrease of \$10.2 million due to the one-time carryover of funds from FY 2004, including \$6.0 million in Operating Expenses and \$4.2 million in Capital Equipment, primarily for I-Net related expenses. The I-Net is a fiber optic cable network designed to support video, voice and data services that County and Fairfax County Public Schools (FCPS) currently provide using commercial telecommunication carriers. In addition, there is a decrease of \$5.4 million, due to the one-time FY 2005 appropriation of I-Net Grant funding received since FY 1999 and held in fund balance, to support the implementation of the I-Net at County and FCPS sites. This funding, held in reserve until Cox Communications completed the construction of the I-Net, is anticipated to be used over the next several years to provide software and infrastructure enabling current video, voice and data services to run over the I-Net. These decreases are partially offset with an increase of \$0.7 million associated with salary adjustments necessary to support the County's compensation program and replacement equipment in the Board Auditorium and Production Studio.

## Other Funds Overview

**Fund 106, Fairfax-Falls Church Community Services Board (CSB):** FY 2006 expenditures for this fund total \$126.6 million, and are funded by a Fairfax County transfer of \$91.0 million, as well as funds from the state, the federal government, the cities of Fairfax and Falls Church and client fees. The FY 2006 funding provides for the following:

- ◆ Maintenance of existing service levels and \$0.7 million to support anticipated inflationary increases for contract vendors who provide a wide range of services such as: residential and outpatient/case management for mental health clients; employment, training and vocational support for mental retardation clients; and detoxification and counseling services for alcohol and drug services clients.
- ◆ Funding of \$0.3 million to support property rehabilitation and renovation for the 156 CSB properties to bring sites into compliance with the Americans with Disabilities Act and new building code requirements; implement shelter-in-place modifications; relocate clients during rehabilitation projects; and assist with the replacement of equipment, furnishings, appliances and carpets/flooring.
- ◆ Funding of \$0.1 million for a one-year contract to continue County support of CrisisLink, a crisis hotline that links residents facing life crises, trauma and suicide with essential lifesaving services.
- ◆ Funding of \$0.1 million to support 1/1.0 SYE Mental Retardation Specialist II position in Mental Retardation Services for the increased case management workload from the June 2005 special education graduates and the administration oversight of the expected additional Medicaid Waiver slots to be awarded to the CSB in Spring 2005.

### **Solid Waste Operations:**

The County's Solid Waste Operations are under direct supervision of the Director of the Department of Public Works and Environmental Services (DPWES). The administration of waste disposal is achieved through the Division of Solid Waste Collection and Recycling and the Division of Solid Waste Disposal and Resource Recovery. The composition of operations includes a County-owned and operated refuse transfer station, an Energy/Resource Recovery Facility (E/RRF), a regional municipal landfill operated by the County, two citizens' disposal facilities, eight drop-off sites for recyclable material, and equipment and facilities for refuse collection, disposal, and recycling operations. Program operations will continue to be accomplished through the two entities consisting of five funds established previously under the special revenue fund structure.

The combined expenditures of \$124,886,563, which includes \$85,130 for Solid Waste General Fund Programs, and a staffing level of 321/321.0 SYE positions are required to meet financial and operational requirements for waste collection and disposal programs in FY 2006. The FY 2006 Adopted Budget Plan funding level represents a decrease of \$29,210,308 or 19.0 percent from the *FY 2005 Revised Budget Plan* estimate of \$154,096,871. This is primarily attributable to a \$38,219,073 decrease in capital projects associated with the one-time carryover of unexpended project balances partially offset by an increase of \$9,008,765 primarily due to increased rates for the disposal of waste as well as a projected increase in the tons of waste to be processed. Highlights by fund are as follows:

- ◆ **Fund 108, Leaf Collection:** Funding in the amount of \$1.7 million is included for this fund to provide for the collection of leaves within Fairfax County's leaf collection districts. It is anticipated that in FY 2006, Fund 108 will provide collection service to approximately 20,328 household units within 32 approved leaf districts on three different occasions. Revenue is derived from a levy charged to homeowners within leaf collection districts. Based on the estimated fund balance and projected expenditure requirements, the levy will remain at \$0.015 per \$100 of assessed real estate value. See the Solid Waste Management Program narrative for more details.
- ◆ **Fund 109, Refuse Collection and Recycling Operations:** Funding in the amount of \$17.5 million is included for this fund to provide for the collection of refuse within the County's approved sanitary districts and County agencies, and for the coordination of the County's recycling and waste reduction operations, as well as the oversight of the Solid Waste General Fund Programs on behalf of the County. In FY 2006, the household refuse collection fee will increase from \$240 to \$270 per household unit. The increase is

## Other Funds Overview

necessary due to decreasing fund balance and increasing disposal charges. See the Solid Waste Management Program narrative for more details.

- ◆ **Fund 110, Refuse Disposal:** Funding in the amount of \$61.7 million is included for this fund to provide for the coordination of the disposal of solid waste generated within Fairfax County by channeling the collected refuse to the Energy/Resource Recovery Facility (E/RRF). Based on estimated disposal costs, the system disposal fee will remain at \$48 per ton; however, a lower contractual disposal rate will be negotiated with private waste haulers and is anticipated to be \$44.95 per ton, an increase of \$2.50 over the FY 2005 negotiated rate of \$42.45. As a result of competitive pricing, continued migration of refuse from the County's waste stream, and the need to maintain the tonnage levels at the E/RRF, disposal rates have been set at levels that have not supported operational requirements since 1995. A General Fund transfer of \$2.5 million provides funding to help cover programs, such as the County's Household Hazardous Waste Program, that do not generate revenue. See the Solid Waste Management Program narrative for more details.
- ◆ **Fund 112, Energy Resource and Recovery Facility (E/RRF):** Funding in the amount of \$36.4 million is included for this fund to provide the management of the contract for the 1-95 Energy/Resource and Recovery Facility (E/RRF), owned and operated by Covanta Fairfax Inc. (CFI). The E/RRF burns municipal solid waste and produces energy through the recovery of refuse resources. The County charges a disposal fee to all users of the E/RRF and subsequently pays the contractual disposal fee to CFI from these revenues. Revenues for the sale of electricity are used to partially offset the cost of the disposal fee. Due to an anticipated decrease in electricity revenues, in accordance with prior contractual arrangements with Dominion Virginia Power, the disposal fee will increase from \$32 to \$33 per ton in FY 2006. See the Solid Waste Management Program narrative for more details.
- ◆ **Fund 114, I-95 Refuse Disposal:** Expenditures for this fund total \$7.5 million for FY 2006 which is a decrease of \$35.5 million or 82.6 percent from the *FY 2005 Revised Budget Plan* of \$43.0 million, primarily as a result of the carryover of capital project funding in FY 2005. This fund is responsible for the overall operation of the I-95 Landfill, which is a multi-jurisdictional refuse deposit site dedicated to the disposal of ash generated primarily by the County's Energy/Resource and Recovery Facility (E/RRF) and other participating municipalities. The disposal rate for the I-95 Landfill will remain at \$11.50 per ton.

**Fund 116, Integrated Pest Management Program:** FY 2006 funding of \$2.4 million is included for this fund. This funding level includes \$0.9 million for the Forest Pest Program to support the treatment of an estimated 5,000 acres to combat gypsy moths and cankerworms. It also provides for the continued monitoring and surveying of areas treated by the state for the emerald ash borer, a recently introduced pest in Fairfax County. This funding level also includes \$1.5 million to provide for the Disease-Carrying Insects Program to include treatment and public educational activities for the prevention of the West Nile Virus. The Integrated Pest Management Program is supported by a countywide tax levy which will remain at the current rate of \$0.001 per \$100 assessed value.

**Fund 118, Consolidated Community Funding Pool:** FY 2006 will be the second year of a two-year funding cycle that uses a consolidated process to set priorities and award funds from both the Consolidated Community Funding Pool and the Community Development Block Grant. In FY 2006, there will be approximately \$9.6 million available for the Consolidated Community Funding Pool process, of which approximately \$7.4 million will be in Fund 118, Consolidated Community Funding Pool, and approximately \$2.2 million, will be in Fund 142, Community Development Block Grant.

**Fund 119, Contributory Fund:** Funding for all Contributory Agencies is reviewed annually, and the organizations must provide quarterly, semiannual and/or annual financial reports as prescribed by the County Executive to document their financial status. The FY 2006 recommended funding level is \$10.5 million; details of the organizations' funded can be found in Volume 2, Capital Construction and Other Operating Funds, of the FY 2006 Adopted Budget Plan.

## Other Funds Overview

**Fund 120, E-911:** In FY 2006, total expenditures are \$36.5 million, based on a General Fund Transfer of \$13.7 million, E-911 fee revenues of \$19.9 million, state reimbursement of \$2.8 million, and interest earnings of \$0.1 million to support Public Safety Communications Center operations and Public Safety Information Technology Projects. In a countywide effort to continue to diversify revenue, the E-911 tax applied to eligible phone lines will be adjusted in FY 2006 to match the State approved maximum charge per line of \$3.00. This is an increase of \$0.50 from the existing rate of \$2.50 per line; the rate will be effective September 1, 2005. It should be noted that this revenue is in addition to the General Fund monies used to support E-911 operations in the County. In order to fully cover all necessary FY 2006 expenditures without local, General Fund dollars would require an E-911 charge per line of \$4.99.

In FY 2006, the Center will be moved from a division within the Police Department to independent agency status in Fund 120 as Agency 95, Department of Public Safety Communications. All funding for the Department, including those previously budgeted in the Police General Fund, and for the Information Technology projects will be reflected in this fund. Included in the FY 2006 funding is an adjustment of \$3.2 million for 11/11.0 SYE new positions and the conversion of emergency first-responder staff within the Department (primarily Public Safety Communicator positions performing call dispatch and call taking functions) from the Fairfax County Employees' Retirement System to the Uniformed Retirement System, reflecting consistency within County public safety agencies for front line, first-responder staff. The Uniformed Retirement System is structured to compensate employees who daily perform first-responder functions in a high stress environment. This change in retirement system is a key part of immediately addressing both the recruitment and retention issues facing the center. These changes will support the structure necessary to resolve leadership, performance, recruitment and retention issues as well as independent agency status of Agency 95, Department of Public Safety Communications. In addition, information technology projects are budgeted at \$8.5 million and will ensure continued lease purchase payments and ongoing replacement of portable and mobile emergency responder radios, providing interoperability with surrounding jurisdictions.

Complete details of all Special Revenue Funds are found in Volume 2, Capital Construction and Other Operating Funds of the FY 2006 Adopted Budget Plan. Summary information is provided in the *Financial, Statistical, and Summary Tables* section of this Overview volume.

## DEBT SERVICE FUNDS

The FY 2006 Adopted Budget Plan provides for the consolidation of the County and School Debt Service funds into a single fund to improve staff efficiency for budgeting, payment and accounting for debt service. In the past, the Department of Finance manually consolidated these funds for the Comprehensive Annual Financial Report in order to fulfill audit requirements. Rather than maintain two separate funds, one combined fund which separately reports the County and Schools debt service information is being implemented. This consolidation was reviewed and approved by the State Auditor of Public Accounts, Fairfax County Public Schools financial management staff, as well as the staff from the County's financial management departments. This merger of the debt service information more clearly presents total debt service requirements while still maintaining a complete picture of County and School funding requirements. The Consolidated Debt Service Fund accounts for the accumulation of resources for, and the payment of debt service on, general obligation bonds of the County and Schools, and for special revenue bond debt service.

FY 2006 Debt Service expenditures total \$240,054,157, a decrease of \$601,543 or 0.3 percent from the FY 2005 Revised Budget Plan level of \$240,655,700. Funding includes transfers of \$230,955,311 from the General Fund. In addition revenues are anticipated including \$878,000 in bond premiums and \$85,345 in revenue from Fairfax City.

This funding level provides for the retirement of County and School general obligation bonds and literary loan debt principal and interest due and payable in FY 2006 as well as lease/purchase payments for the Government Center Properties and Fairfax County Redevelopment and Housing Authority (FCRHA) lease revenue bonds issued for community centers, senior centers and an adult day care center, Certificate of Participation payments for the new South County Government Center and fiscal agent fees.

## Other Funds Overview

Complete details of the Debt Service Funds are found in Volume 2, Capital Construction and Other Operating Funds of the FY 2006 Adopted Budget Plan. Summary information is provided in the *Financial, Statistical and Summary Tables* section of this Overview volume.

### ENTERPRISE FUNDS

Fairfax County's Enterprise Funds consist of seven funds within the Wastewater Management Program (WMP), which account for the construction, maintenance and operational aspects of the countywide sewer system. The cost of providing sewer service to County citizens and businesses is financed or recovered primarily from user charges.

FY 2006 Enterprise Funds expenditures for sewer operation and maintenance and sewer debt service total \$150,141,617, a decrease of \$61,607,701 or 29.1 percent from the *FY 2005 Revised Budget Plan* total of \$211,749,318 primarily due to the carryover of capital project construction balances to complete the expansion requirements of the Noman M. Cole, Jr. Pollution Control Plant (NCPCP) from 54 million gallons per day (mgd) to 67 mgd and other system improvements.

The program includes the County-owned wastewater treatment plant (54 mgd capacity), approximately 3,260 miles of sewer lines, 64 pumping stations, 53 flow metering stations and covers approximately 234 square miles of the County's 407 square-mile land area. In FY 2006, WMP anticipates a total of 351,905 households in Fairfax County will be connected to public sewers.

#### Current Availability Fee Rates:

In FY 2006, Availability Fees will increase from \$5,621 to \$5,874 for single-family homes based on current projections of capital requirements. The Availability Fee rate for all types of units are adjusted based on continued increases in expenses associated with treatment plant upgrades and interjurisdictional payments that result from population growth, more stringent treatment requirements, and inflation. The following table displays the resulting increase by category.

Category	FY 2005 Availability Fee	FY 2006 Availability Fee
Single Family	\$5,621	\$5,874
Townhouses and Apartments	\$4,497	\$4,699
Hotels/Motels	\$1,406	\$1,469
Nonresidential	\$291/fixture unit	\$304/fixture unit

#### Current Sewer Service Charge:

The Sewer Service Charge rate will increase from \$3.20 to \$3.28 per 1,000 gallons of water consumption in FY 2006. Based on this rate increase, the additional annual cost to the typical household is anticipated to be \$6.08. Sewer Service Charges are adjusted based on projected capital requirements associated with the renovation and rehabilitation of existing treatment facilities. It should be noted that FY 2007 – FY 2009 sewer service charges were revised from last year's forecasted financial statement and was presented to the Board of Supervisors as part of the FY 2006 Adopted Budget Plan.

Category	FY 2005 Sewer Service Charge	FY 2006 Sewer Service Charge
Per 1,000 gallons water consumed	\$3.20	\$3.28

## Other Funds Overview

The FY 2006 Sewer Service Charge and Availability Fee are based on increased costs associated with capital project construction, system operation and maintenance, debt service and upgrades to effectively reduce nitrogen discharge from wastewater treatment plants in order to meet new, more stringent nitrogen discharge limitations. The program will also utilize sewer fund balances to partially offset these higher costs. These rate increases are consistent with the recommendations of the Department of Public Works and Environmental Services and the analysis included in the Forecasted Financial Statement for July 1, 2004 through June 30, 2009.

Complete details of the Enterprise Funds, which comprise the Wastewater Management Program, are found in Volume 2, Capital Construction and Other Operating Funds of the FY 2006 Adopted Budget Plan. Program Summary information is provided in the *Financial, Statistical and Summary Tables* section of this Overview volume.

### INTERNAL SERVICE FUNDS

Internal Service Funds account for services commonly used by most agencies, and for which centralized organizations have been established in order to achieve economies of scale necessary to minimize costs. These internal agencies provide services to other agencies on a cost reimbursement basis. Such services consist of vehicle operations, maintenance, and replacement; insurance coverage (health, workers compensation, automobile liability, and other insurance); data communications and processing; and document services. It should be noted that where possible without degradation of quality, joint County and School service delivery (printing and vehicle maintenance) or joint procurement (health insurance) activities are conducted in order to achieve economies of scale and to minimize costs.

FY 2006 Internal Service expenditures total \$439,006,173, an increase of \$22,320,402 or 5.4 percent over the *FY 2005 Revised Budget Plan* level of \$416,685,771. Excluding adjustments in FY 2005, expenditures increased \$48,549,179 or 12.4 percent over the FY 2005 Adopted Budget Plan total of \$390,456,994. Funds with significant adjustments are as follows:

**Fund 501, County Insurance:** A net increase of \$0.7 million primarily due to an increase of \$1.1 million and 1/1.0 SYE County Health and Safety Coordinator to support the Automated External Defibrillator (AED) program for County and School facilities and \$0.8 million in costs associated with workers' compensation and insurance premium increases. These increases are partially offset by a decrease of \$1.2 million associated with self insurance losses.

**Fund 503, Department of Vehicle Services:** A net decrease of \$4.5 million due primarily to the one-time carryover of funds in FY 2005 for vehicles, fire apparatus, and FASTRAN buses, and to continue the process of retrofitting diesel engine vehicles for use with ultra-low sulfur diesel fuel. The savings are partially offset by increases associated with employee compensation and the increased cost of vehicle parts, shop supplies, tires, and other maintenance-related needs. In addition, it should be noted that in FY 2005 the Fleet Utilization Management Committee (FUMC) was formed to provide the County Executive with recommendations on fleet-related issues, including feedback on whether to retain, reassign, eliminate, or assign pool vehicle status to under utilized vehicles and equipment, as well as evaluating the need for fleet additions. A net reduction to the fleet of 92 vehicles was accomplished through this review process. One-time savings of approximately \$1.2 million resulted from the contraction of these vehicles, in addition to annual savings of approximately \$250,000, beginning in FY 2006, due to reduced agency billings for maintenance and replacement requirements.

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**Fund 505, Technology Infrastructure Services:** A net decrease of \$1.9 million primarily due to one-time carryover funding of \$2.6 million offset by increases for server and equipment maintenance, increased telecommunications requirements to support new applications and redundancy in the system; software license renewals; expansion of the storage available for mainframe data; augmentation of security measures for daily application operations and incident investigation required to further protect the County from unauthorized entry into County systems, attacks, viruses, data destruction and other cyber threats; and support for the next year of the County's Wide Area Network renewal plan.

In addition, consistent with recommendations from the FY 2004 review and operational requirements, the annual amount collected per PC for FY 2006 will be \$500/year, so that the future year cash flow will be sufficient to support the hardware and software components of this essential program.

**Fund 506, Health Benefits Trust Fund:** An increase of \$0.7 million primarily due to a 12.5 percent cost growth assumption and anticipated employee participation in the plan. As a result of projected increases in medical and prescription claims, the County's self-insured plan will raise premiums by 12 percent effective January 1, 2006 for the final six months of FY 2006. This will allow the fund to remain solvent, maintain a revenue stream that will cover the cost of health claims, and maintain reserve funding to smooth out the employer and employee impact as it relates to unanticipated dramatic cost growth swings in future years.

**Fund 591, School Health Benefits Trust:** An increase of \$26.5 million is due primarily to premium rate increases and higher enrollment.

Complete details of the Internal Service funds are found in Volume 2, Capital Construction and Other Operating Funds of the FY 2006 Adopted Budget Plan and in the Fairfax County School Board's FY 2006 Adopted Budget. Summary information is provided in the *Financial, Statistical and Summary Tables* section of this Overview volume.

## TRUST AND AGENCY FUNDS

Trust and Agency funds account for assets held by the County in a trustee or agency capacity and include the four pension trust funds administered by the County and Schools. The Agency fund is Fund 700, Route 28 Taxing District, which is custodial in nature and is maintained to account for funds received and disbursed by the County for improvements to Route 28.

FY 2006 Trust and Agency funds combined expenditures total \$383,225,098, an increase of \$37,940,819 or 11.0 percent over the *FY 2005 Revised Budget Plan* funding level of \$345,284,279. Excluding adjustments in FY 2005, combined Trust Fund and Agency Funds expenditures increase \$35,746,940 or 10.3 percent over the FY 2005 Adopted Budget Plan level of \$347,478,158. This increase is primarily due to increases in the four retirement funds as a result of growth in the number of retirees receiving payments as well as higher retiree payments due to cost-of-living increases.

Complete details of the Trust and Agency funds are found in Volume 2, Capital Construction and Other Operating Funds of the FY 2006 Adopted Budget Plan. In addition, details of the Educational Employees Retirement Fund may be found in the Fairfax County School Board's FY 2006 Adopted Budget. Summary information is provided in the *Financial, Statistical and Summary Tables* section of this Overview volume.